



Federal Communications Commission
Washington, D.C. 20554
AUG 4 1998

cc to CT & L-40

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AUG 11 1998

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

EX PARTE OR LATE FILED

Mr. George Baxter
300 Clubhouse court
Kennesaw, GA 30144

Dear Mr. Baxter:

Thank you for your electronic mail message to President Clinton regarding a "telephone tax" or fee that has been added to some consumers' telephone bills by carriers to recover their contributions to the universal service support mechanisms. The White House has asked me to respond to your inquiry.

On May 7, 1997, the Commission, as required by the Telecommunications Act of 1996 (1996 Act), adopted a first Report and Order to implement the Federal-State Joint Board's recommendations on universal service. The Commission established universal service support mechanisms that fulfill Congress's goal, as stated in Section 254 of the 1996 Act, of ensuring that affordable, quality telecommunications services are available to all American consumers, including those located in high cost, rural, and insular areas and low income consumers. In addition, these mechanisms implement Congress's mandate to ensure the nation's classrooms' and libraries' access to the vast array of educational resources that are accessible through the telecommunications network. These support systems also will link health care providers located in rural areas to urban medical centers so that patients living in rural America will have access, through the telecommunications network, to the same advanced diagnostic and other medical services that are available in urban communities.

In the 1996 Act, Congress stated that all telecommunications carriers that provide interstate telecommunications services must contribute on an equitable and nondiscriminatory basis to universal service. The Commission implemented this statutory provision by requiring all telecommunications carriers to contribute to the universal service support mechanisms. Neither Congress, nor the Commission, require carriers to pass this contribution on to their customers. To the contrary, carriers decide how and to what extent they recover their contributions. Carriers, however, may not mislead customers as to how they recover contributions and may only recover an equitable share from any particular customer.

The Commission is monitoring the universal service support mechanisms and their impact on telephone ratepayers. This issue will be carefully reviewed as the support mechanisms are administered.

Noted
J. J. [Signature]

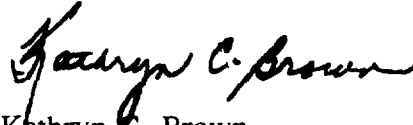
2

Mr. George Baxter

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Your e-mail has been placed in the official public record of the universal service proceeding (CC Docket No. 96-45). I appreciate your interest in these important issues.

Sincerely,

A handwritten signature in black ink, appearing to read "Kathryn C. Brown". The signature is fluid and cursive, with the first name "Kathryn" being more prominent than the last name "Brown".

Kathryn C. Brown
Chief

Common Carrier Bureau

DLW
A. G. / G. G.

From nobody@www2.whitehouse.gov Tue Jun 2 14:54:11 1998
Date: Tue, 02 Jun 1998 14:52:37 -0400
From: George Baxter <GEO.B@worldnet.att.net>
Subject: Inbound-White_House_WWW_MAIL => PRESIDENT
Apparently-to: president@WhiteHouse.GOV
To: president@WhiteHouse.GOV
Errors-to: The Postmaster <postmaster@www2.whitehouse.gov>
Reply-to: George Baxter <GEO.B@worldnet.att.net>
Message-id: <199806021852.OAA01635@www2.whitehouse.gov>

Keywords: WWW-Correspondence; ; Ask a specific question regarding
Administration policy; Taxes; Private Citizen;
Comments: Forwarded from White House WWW
Comments: This message scanned by SCAN version 0.1 jms/960226

[Connection Information]

CLIENT: 32.atlanta-11.ga.dial-access.att.net[12.69.101.32]
BROWSER: Mozilla/2.0 (compatible; MSIE 3.02; Update a; AK; Windows 95)
URL: http://www.whitehouse.gov/WH/Mail/html/Mail_President.html

[Sender Information]

PERSONAL-NAME: George Baxter
EMAIL-ADDRESS: GEO.B@worldnet.att.net
ORGANIZATION:
RELATIONSHIP:
STREET-ADDRESS: 300 Clubhouse Court
CITY: Kennesaw
STATE-PROVINCE: GA
ZIP-CODE: 30144
COUNTRY: USA

[Message Information]

PURPOSE: Ask a specific question regarding Administration policy
TOPIC: Taxes
AFFILIATION: Private Citizen
SUBJECT: new tax on long distance charges

[Message]

Dear Mr. President. I am a little concerned about the proposed
E tax on the long distance phone carrier's charges to the
consumer in the near future.

I believe this is punitive and created with stealth under the
guise of a subsidised cost to the rural customers by the
provider, instituted by Vice President Gore, and in my opinion
is an illegally implemented tax that is a burden on especially

the lower income customers that may also have the need for the telephone and just can barely cover the basic costs. I have been told this new tax is also for covering the cost of new computers in some of the school classrooms? Thankyou Mr. President for your kind attention.